REMARKS/ARGUMENT

Amendments have been made to claims 10, 18, 26 and 30 to more broadly claim the present invention. These amendments do not narrow the scope of the claims.

The Examiner has rejected all of the claims as anticipated or made obvious by Togher et al. The Examiner's rejection on these grounds are respectfully, but strenuously, traversed.

Claims 1-9 and 14

Among with the limitations of claim 1 which are neither disclosed nor suggested in the art of record are:

"means for identifying to each of the parties to an executed deal the counterparty to the deal,

means for offering to the identified counterparty a further trade at the same price as the executed deal; and

means for executing a further trade irrespective of whether or not the further trade exceeds one or both of the credit limits assigned by each of the parties to the trade to the other in place when said executed deal took place."

The Examiner has asserted that the claimed "means for identifying" is disclosed in the following portions of Togher et al.:

> "The host computer uses me [sic] information in its central data base to match active bids and offers (as well as executing any transitory "hit bid" and "take offer" transactions) based on matching criteria which include the gross counterparty credit limit between counterparties to a potential matching transaction, price, and available quantity. To that end, each client site establishes and may subsequently vary or reset a credit limit for each possible counterparty, which is used by the host

computer to establish the gross counterparty credit limit for each possible pair of parties and which is equal to the minimum of the remaining credit (initial credit limit less any applicable transactions that have already been executed) from the first party to the second party and from the second party to the first party." Col. 1, lines 23-39.

"To further limit the data received and processed by each of the relevant distribution nodes computers, (i.e., the regional nodes closest to the particular site and/or closest to the particular counterparty), only changes in the credit state between a particular access node and a particular counterparty (i.e., credit is no longer available or credit is now available) are transmitted to the distribution nodes, and any credit state information only relevant to transactions between two client sites both associated with other distribution nodes, may be altogether ignored." Col. 2, lines 57-68.

The foregoing portions of Togher et al. do not disclose the claimed means for identifying. Rather, they deal with the fact that each counterparty provides information *to the host computer (not to the other counterparty)* indicating whether or not credit is available to specific counterparties. There is absolutely no description in the foregoing paragraphs that the identity of the party with whom a trade has been executed is identified to the *other counterparty*.

The Examiner has indicated that the claimed "means for offering" is disclosed in Togher et al. as follows:

"In accordance with a preferred embodiment, such Preauthorization Matrices are maintained at each of several regional nodes ("distributed nodes") of a distributed processing communication network, with each such distribution node being connected by corresponding individual permanent links of the network to those client sites ("access node") for which it is responsible for distributing market information including customized "Dealable" bid and offer prices in addition to global "Best" prices." Col. 2, lines 38-47.

There is no indication in the foregoing disclosure that a counterparty who has been *identified to the other counterparty* is offered the *further trade* with the same

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counterparty for the same price. If the Examiner believes otherwise, it is requested that he

identify the specific language of the quoted paragraph upon which he is relying for this

alleged disclosure.

With respect to the claimed "means for executing", the Examiner has relied on

the following passages of Togher:

> "...system for compatibility with that limited credit
> information before calculating an anonymous "Dealable" price
> for presentation to any of the traders dealing with that
> particular financial statement.
>> In a presently preferred embodiment, the prescreening
> is a simple check to determine whether any credit remains
> between the two possible counterparties to the potential
> transaction, and thus may be performed using a simple yes/no
> Preauthorization Matrix before any bid or offer is transmitted
> to a particular client site.
>> In accordance with a preferred embodiment, such
> Preauthorization Matrices are maintained at each of several
> regional nodes ("distributed nodes") of a distributed
> processing communication network, with each such
> distribution node being connected by corresponding individual
> permanent links of the network to those client sites ("access
> node") for which it is responsible for distributing market
> information including customized "Dealable" bid and offer
> prices in addition to global "Best" prices."

<div align="center">* * *</div>

> "To further limit the data received and processed by each of
> the relevant distribution nodes computers, (i.e., the regional
> nodes closest to the particular site and/or closest to the
> particular counterparty), only changes in the credit state
> between a particular access node and a particular counterparty
> (i.e., credit is no longer available or credit is now available) are
> transmitted to the distribution nodes, and any credit state
> information only relevant to transactions between two client
> sites both associated with other distribution nodes, may be
> altogether ignored." Col. 2, lines 28-47 and 57-68.

> "In a preferred embodiment of the system as currently
> contemplated, if either of the two applicable limits has not

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already been exceeded between a particular pair of counterparties, the system displays the entire bid or offer as a "Dealable" transaction, but permits each client site to block any above-limit portion of any resultant buy or sell transaction during a subsequent deal execution/verification process. Alternatively, possibly at the option of the party by or for whom the low limit has been set, the entire transaction could be executed, or the entire transaction could be blocked. As a second alternative, Preauthorization Matrix could indicate whether sufficient credit remained to execute a predetermined "standard" deal amount in addition to, or instead of, a mere indication as to whether any credit from a particular potential counterparty had already been used up. In such an alternate embodiment it might also be possible to display to each trader two "Dealable" prices: one at which at least the predetermined "standard" amount is available, and a second price at which only a "Small" amount may be available.

As currently contemplated, each of the regional nodes transmits both a Best current price (for which a predetermined minimum quantity is available independent of any credit constraints) and a best Dealable price (for which at least limited credit is presumably available on a bilateral basis with at least one of the counterparties making the bid or offer), as well as "Small" indicator that may indicate a thin potential market in which that predetermined minimum quantity is not available at any price from any counterparty with whom the trader is eligible to deal, but nevertheless a smaller quantity is available from one or more of such eligible counterparties." Col. 3, lines 1-34.

The foregoing portions of Togher describe a single trade, not two separate trades as required by claim 1.

According the Togher et al., a *single deal* is executed *without knowledge of the identity of the counterparty*. Each party's terminal has received information from the central system that a request to complete a deal of a standard amount (which is higher than the party's credit limit). *It has not been told who the counterparty is.* The terminal must then decide what to do with this request. Particularly, it must:

(1) accept the deal at the standard amount (e.g. $5,000,000);

(2) accept that deal at the lower credit limit amount (e.g. $2,000,000); or

(3) reject the deal totally.

In any event, *a single deal* with an *anonymous* counterparty is executed or rejected.

If the Examiner believes that Togher et al. does disclose two deals, the second being made after the counterparty has been identified, it is requested that he quote the specific language of Togher et al. which supports his position.

Claims 2-9 and 14 depend from claim 1 and include all the limitations found therein. These claims recite additional limitations which, in combination with the limitations of claim 1, are neither disclosed nor suggested in the art of record. Accordingly, these claims are also believed to be in condition for allowance.

Claims 10-13 and 15

Among the limitations of independent claim 10, which are neither disclosed nor suggested in the art of record are:

"The deal execution means further identifying the counterparties to each other on completion of the deal; and

means for permitting a party to an executed deal to provide a non-anonymous offer or request for a further deal with the for a counterparty to the executed deal at the same price, the means for permitting including means for adjusting the counterparties credit limits with one another by an amount equal to the value of the deal.

There is no disclosure in Togher et al. of any structure for permitting a party to an executed deal to provide a *non-anonymous offer or request* for a further deal with a counterparty to the executed deal at the same price as required by claim 10. If the Examiner believes otherwise, it is requested that he quote the specific language of Togher

et al. which supports his position.

In view of the foregoing, claim 10 believed to be in condition for allowance.

Claims 11-13 and 15 dependent from claim 10 and include all the limitations found therein. These claims recite additional limitations which, in combination with the limitations of claim 10, are neither disclosed nor suggested in the art of record and are also believed to be in condition for allowance.

Claims 16, 20, 21 and 22

Among the limitations of claim 16, which are neither disclosed nor suggested in Togher et al. are:

> "the broker terminal further effectuates a first order between a
> first and second trader, notifies the first and second trader of
> the respective identities of their counterparties, and, thereafter,
> when requested by at least one of the first and second traders,
> the broker terminal effectuates a second order between the first
> and second traders at substantially the same price as the first
> order regardless of the credit limits between the first and
> second traders."

As indicated above, Togher et al. does not first effectuate a first order between the first and second trader, notify the first and second traders of the respective identities of their counterparties, and thereafter (upon request of at least one of the traders) effectuate a second order at substantially the same price regardless of credit limits between the first and second traders. Accordingly, claim 16 is believed to be in condition for allowance.

Claims 20-22 dependent from claim 16 and include all the limitations found therein. These claims recite additional limitations which, in combination with the limitations of claim 16, are neither disclosed nor suggested in the art of record. Accordingly, these claims are also believed to be in condition for allowance.

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Claims 17 and 23-25

Among the limitations of claim 17, which neither disclose nor suggest in the art of record are the steps of :

> "notifying the first and second trader of the respective identities of their counterparties [after a trade is effectuated]; and thereafter,
>
> when requested by at least one of the first and second traders, effectuating a second trade between the first and second traders without regard to the bilateral credit between the first and second traders."

If the Examiner continues to assert that these limitations are disclosed in Togher et al., it is requested that he quote the specific language relied upon.

Claims 23-25 dependent from claim 17 and include all limitations found therein. These claims recite additional limitations which, in combination with the limitations of claim 17, are neither disclosed nor suggested in the art of record. Accordingly, these claims are also believed to be in condition for allowance.

Claim 18

Among the limitations of claim 18, which are neither disclosed nor suggested in the art of record, are:

> "identifying the first and second party to each other after a first anonymous trade has been performed; and thereafter
>
> permitting the first and second party to perform a conversational trade using the anonymous trading network."

There is no disclosure of any type of *conversational trade* using an anonymous trading network in Togher et al. If the Examiner believes that such a conversational trade is disclosed in Togher et al., it is requested that he identify the specific language of Togher

et al. which discloses this feature of claim 18.

Claim 19

Among the limitations of claim 19, which are neither disclosed nor suggested in the art of record, are:

> "performing a second trade between the first and second trader through the anonymous trading system without regard to the trading limits."

As noted above, Togher et al. performs a single trade, not two separate trades. It certainly does not disclose or suggest the desirability of first carrying out a first trade based on trading limits and then performing a second trade without regard to the trading limits.

Claims 26-29

Among the limitations of claims 26, which are neither disclosed nor suggested in the art of record are:

> "the matching engine executes anonymous deals between at least some of the traders based on bilateral credit between such traders, the matching engines further effectuating a first trade between a first and a second trader, notifying the first and second trader of the respective identities of their counterparties, and, thereafter, when requested by one of the first and second traders, the matching engine effectuating a second trade between the first and second traders without regard to the bilateral credit between the first and second traders."

If the Examiner believes that the foregoing features of claim 26 are disclosed in Togher et al. it is requested that he quote the specific language which discloses these features.

Claims 27-29 depend from claim 26 and include all the limitations found

therein. These claims recite additional limitations which, in combination with the limitations of claim 26, are neither disclosed nor suggested in the art of record. Accordingly, these claims are also believed to be in condition for allowance.

Claims 30-33

Among the limitations of claims 30, which are neither disclosed nor suggested in the art of record are:

> "notifying the first and second trader of the respective identifies of their counterparties [in a first trade]; and thereafter

> when requested by at least one of the first and second traders, effectuating a second trade between the first and second traders without regard to the bilateral credit between the first and second traders."

If the Examiner continues to assert that these features are disclosed in Togher et al., it is requested the he quotes the specific language of Togher et al which discloses these features.

Claim 31-33 dependent from claim 30 and include all limitations found therein. These claims recite additional limitation which, in combination with the limitations of claim 30, are neither disclosed nor suggested in the art of record. Accordingly, these claims are also believed to be in condition for allowance.

Reconsideration and allowance of the application are respectfully solicited.

Dated: April 1, 2003   Respectfully submitted,

By_____

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APPENDIX A
Version With Markings To Show Changes Made
37 CFR 1.121(b)(iii) AND (c)(ii)

CLAIMS (with indication of amended or new):

10. (Twice Amended) An electronic trading system comprising:

means for matching anonymous bids and offers entered into the system by counterparties and for executing matched bids and offers to complete a deal, the deal execution means comprising means for checking the matched deal against stored limits of bilateral credit between the counterparties and means for preventing deal execution if one or both parties has insufficient credit, the deal execution means further identifying the counterparties to each other on completion of the deal; <u>and</u>

means for permitting a party to an executed deal to <u>provide a non-anonymous</u> offer or request <u>for</u> a further deal with the counterparty to the executed deal at the same price, the means for permitting including means for adjusting the counterparties credit limits with one another by an amount equal to the value of the deal.

18. (Amended) A method for trading in an anonymous trading network, the method comprising:

performing an anonymous trade over the anonymous trading network between a first and second party;

identifying the first and second party to each other <u>after a first anonymous trade has been performed</u>; <u>and thereafter</u>

permitting the first and second party to perform a conversational trade using the anonymous trading network.

26. (Amended) An anonymous trading system for trading assets between traders, the system comprising:

a communications network;

a plurality of order input terminals coupled to the communications network, each order input terminal communicates with a respective trader and generates electronic order messages in response thereto; and

the communications network including [a broker node coupled to a plurality of the order input terminals, and] at least one matching engine [coupled to the broker node,] the [broker node and] matching engine [execute] executing anonymous deals between at least some of the traders based on bilateral credit between such traders, the [broker node and] matching engine further [effectuate] effectuating a first trade between a first and second trader, [notify] notifying the first and second trader of the respective identities of their counterparties, and, thereafter, when requested by at least one of the first and second traders, the [broker node and] matching engine [effectuate] effectuating a second trade between the first and second traders without regard to the bilateral credit between the first and second traders.

30. A [An] method for trading assets between traders in an anonymous trading system, the system comprising a communications network, a plurality of order input terminals coupled to the communications network, each order input terminal effective to communicate with a respective trader and to generate electronic order messages in response thereto, the communications network including [at least one broker node coupled to a plurality of the order input terminals and] at least one matching engine [coupled to the broker terminal];

the at least one [broker terminal and] matching engine being effective to execute deals between the traders based on bilateral credit between respective traders;

the method comprising:

effectuating a first trade between a first and a second trader when the bilateral credit between the first and second traders allow;

notifying the first and second trader of the respective identities of their counterparties; and thereafter,

when requested by at least one of the first and second traders, effectuating a second trade between the first and second traders without regard to the bilateral credit between the first and second traders.

APPENDIX B
"Clean" Version Without Amended/New Indications
37 CFR 1.121(c)(3)

10. An electronic trading system comprising:

means for matching anonymous bids and offers entered into the system by counterparties and for executing matched bids and offers to complete a deal, the deal execution means comprising means for checking the matched deal against stored limits of bilateral credit between the counterparties and means for preventing deal execution if one or both parties has insufficient credit, the deal execution means further identifying the counterparties to each other on completion of the deal; and

means for permitting a party to an executed deal to provide a non-anonymous offer or request for a further deal with the counterparty to the executed deal at the same price, the means for permitting including means for adjusting the counterparties credit limits with one another by an amount equal to the value of the deal.

18. A method for trading in an anonymous trading network, the method comprising:

performing an anonymöus trade over the anonymous trading network between a first and second party;

identifying the first and second party to each other after the anonymous trade has been performed; and thereafter

permitting the first and second party to perform a conversational trade using the anonymous trading network.

26. An anonymous trading system for trading assets between traders, the system comprising:

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a communications network;

a plurality of order input terminals coupled to the communications network, each order input terminal communicates with a respective trader and generates electronic order messages in response thereto; and

the communications network including at least one matching engine, the matching engine executing anonymous deals between at least some of the traders based on bilateral credit between such traders, the matching engine further effectuating a first trade between a first and second trader, notifying the first and second trader of the respective identities of their counterparties, and, thereafter, when requested by at least one of the first and second traders, the matching engine effectuating a second trade between the first and second traders without regard to the bilateral credit between the first and second traders.

30. A method for trading assets between traders in an anonymous trading system, the system comprising a communications network, a plurality of order input terminals coupled to the communications network, each order input terminal effective to communicate with a respective trader and to generate electronic order messages in response thereto, the communications network including at least one matching engine;

the at least one matching engine being effective to execute deals between the traders based on bilateral credit between respective traders;

the method comprising:

effectuating a first trade between a first and a second trader when the bilateral credit between the first and second traders allow;

notifying the first and second trader of the respective identities of their counterparties; and thereafter,

when requested by at least one of the first and second traders, effectuating a second trade between the first and second traders without regard to the bilateral credit between the first and second traders.